

## Message Text

LIMITED OFFICIAL USE

PAGE 01 TAIPEI 00315 160215Z

62

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 H-03 SS-20 NSC-10

DRC-01 /080 W

----- 111292

R 160133Z JAN 74

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 662

LIMITED OFFICIAL USE TAIPEI 0315

E.O. 11652: N/A

TAGS: ETRN, TW

SUBJECT: CIVAIR: GRC IMPOSES AIR FREIGHT SERVICE CHARGE

1. DIRECTOR GENERAL OF CIVIL AERONAUTICS ADMINISTRATION (CAA) GENERAL MAO YING-TSU (RET.) CONFIRMED TO EMBOFFS TODAY THAT, ON JANUARY 16, 1974, ROC WILL BEGIN COLLECTING A SERVICE CHARGE ON BOTH INCOMING AND OUTGOING AIR FREIGHT. AUTHORIZED UNDER A 1962 LAW, THE CHARGE ON AIR FREIGHT WAS SUSPENDED SHORTLY THEREAFTER "IN THE INTEREST OF EXPORT PROMOTION". A NINE PERCENT LEVY ON PASSENGER TICKETS STEMMED FROM THAT LAW AND HAS BEEN LEVIED SINCE, BUT CHARGE ON AIR FREIGHT HAS REMAINED SUSPENDED UNTIL NOW.

2. LIFTING SUSPENSION, CURRENT AIR FREIGHT SERVICE CHARGE HAS BEEN SET AT 9 PERCENT OF FREIGHT TARIFF FOR ALL IMPORTS AND AT 6 PERCENT FOR EXPORTS, EXCEPT FOR AGRICULTURAL PRODUCTS WHICH ARE TO BE CHARGED 3 PERCENT. CHARGE IS NOT AD VALOREM BUT BASED ON MANIFESTED FREIGHT CHARGES. NEW LEVIES ARE DESTINED TO FINANCE OVERALL CIVIL AVIATION PROGRAM, WITH MAJOR PORTION EARMARKED FOR CONSTRUCTION OF NEW US\$200 MILLION TAOYUAN INTERNATIONAL AIRPORT, OUTSIDE TAIPEI.

3. EMBOFFS POINTED OUT TO CAA CHIEF THAT IMPLEMENTATION OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TAIPEI 00315 160215Z

NEW CHARGES IN CURRENT CLIMATE OF FUEL CRISIS, INCREASED

COSTS, INFLATIONARY PRESSURES AND PROJECTED DOWNTURN IN ROC GROWTH RATE AND FALLOFF IN EXPORT POTENTIAL COULD BE COUNTERPRODUCTIVE. GENERAL WAS REMINDED THAT SIZEABLE PORTION OF TAIWAN'S EXPORTS, PARTICULARLY IN ELECTRONICS INDUSTRY AND WIDE VARIETY OF SPECIALTY GOODS, INCREASINGLY IS BEING FORWARDED BY AIR, AND THAT NEW LEVIES COULD DISSUADE INVESTMENT AND GROWTH IN EXPORT SECTOR. MAO COUNTERED BY SAYING PRE-EXISTING LAW WAS BEING IMPLEMENTED NOW BECAUSE OF HEAVY CAPITAL REQUIREMENTS FOR MAJOR INFRA-STRUCTURE DEVELOPMENT PROJECTS THROUGHOUT THE ECONOMY, INCLUDING NEW INTERNATIONAL AIRPORT. HE ADDED THAT CHARGE WOULD BE RELATIVELY SMALL SINCE IT WAS BASED ON FREIGHT TARIFF RATHER THAN VALUE, WOULD BE BORNE BY CONSIGNOR (PRESUMABLY PASSED ON TO BUYER), WOULD BE COLLECTED BY CAA THROUGH FREIGHT FORWARDING AGENTS, AND WOULD NOT IMPACT ON OPERATION OF INTERNATIONAL AIR CARRIERS. HE SAID THAT INCREASING COSTS OF SERVICES PROVIDED BY CAA MUST BE TRANSFERRED TO USERS AND ULTIMATE BENEFICIARIES OF CAA ACTIVITIES--TRAVELERS BY AIR AND SHIPPERS OF AIR FREIGHT.

4. EMBOFFS WILL MEET JANUARY 19 WITH AMERICAN CHAMBER OF COMMERCE, INCLUDING REPRESENTATIVES OF THREE U.S. CARRIERS OPERATING IN ROC (NWA, TWA, FLYING TIGER) TO DISCUSS IMPLICATIONS AIR FREIGHT CHARGE ON U.S. BUSINESS COMMUNITY. MCCONAUGHY

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR CARGO, CONSTRUCTION, TRANSPORTATION TAXES, AIRPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TAIPEI00315  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** TAIPEI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740137/aaaabiot.tel  
**Line Count:** 86  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12-Aug-2002 by kelleyw0>; APPROVED <03-Sep-2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: GRC IMPOSES AIR FREIGHT SERVICE CHARGE  
**TAGS:** ETRN, TW  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005